

**ASSEMBLY BILL**

**No. 1321**

**Introduced by Assembly Member Oropeza**

February 21, 2003

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An act to amend Section 20235 of the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1321, as introduced, Oropeza. The Public Employees' Retirement System: reports to contracting agencies.

Existing law requires the Board of Administration of the Public Employees' Retirement System to submit a quarterly review of the system's assets, as specified, to the Legislature.

This bill would also require the board to submit that review to each contracting agency and would require the board to submit to each contracting agency, if requested by the agency, a quarterly report of the contracting agency's assets, contributions, earnings, and expenditures with respect to the system, as specified, beginning August 1, 2003.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 20235 of the Government Code is  
2     amended to read:

1     20235. (a) The board shall submit a review of this system's  
2 assets to the Legislature *and to each contracting agency* on a  
3 quarterly basis. The report shall:  
4     ~~(a)~~  
5     (1) Discuss this system's portfolio and contain the following  
6 information:  
7     ~~(1)~~  
8     (A) Concentration, current holdings at cost and market value,  
9 of equities.  
10    ~~(2)~~  
11    (B) Concentration, current holdings at cost and market value,  
12 of fixed income instruments.  
13    ~~(3)~~  
14    (C) Current holdings at cost and market value of real estate  
15 equities.  
16    ~~(4)~~  
17    (D) Current holdings at cost and market value of mortgages.  
18    ~~(5)~~  
19    (E) Options and forward commitments.  
20    ~~(6)~~  
21    (F) Cash and cash equivalents.  
22    ~~(b)~~  
23    (2) Disclose the following information on the rate of return of  
24 the fund by type of asset:  
25    ~~(1)~~  
26    (A) Time-weighted return on a five-year, three-year, two-year,  
27 and one-year basis.  
28    ~~(2)~~  
29    (B) Dollar-weighted return on a five-year, three-year,  
30 two-year, and one-year basis.  
31    ~~(3)~~  
32    (C) Summary of performance of an alternative theoretical  
33 portfolio containing all investments and performance of  
34 comparable universes and other indexes.  
35    (b) *Upon written request from a contracting agency, the board*  
36 *shall submit to the contracting agency on or before August 1,*  
37 *November 1, February 1, and May 1 of each fiscal year, beginning*  
38 *with August 1, 2003, a quarterly report of the contracting agency's*  
39 *assets, contributions, earnings, and expenditures with respect to*



1 *the system. The report shall include, but need not be limited to, the*  
2 *following:*

3 *(1) All contributions made to the system by the contracting*  
4 *agency and its employees.*

5 *(2) All payments and distributions made by the system to*  
6 *members of the contracting agency and their survivors and*  
7 *beneficiaries, including payments on account of pension, death,*  
8 *and disability benefits, and withdrawals of contributions.*

9 *(3) Management and administrative fees assessed against the*  
10 *contracting agency's assets in the system.*

11 *(4) Interest, dividends, and other earnings accrued on the*  
12 *contracting agency's assets in the system.*

13 SEC. 2. This act is an urgency statute necessary for the  
14 immediate preservation of the public peace, health, or safety  
15 within the meaning of Article IV of the Constitution and shall go  
16 into immediate effect. The facts constituting the necessity are:

17 In order to enable local agencies to regularly monitor and  
18 reconcile their receivables and payments with respect to the Public  
19 Employees' Retirement System and thereby lessen the risk of  
20 material misstatements with respect to those receivables and  
21 payments, it is necessary for this act to take effect immediately.

